Mailed: March 30, 2004
Paper No. 74
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UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Osmosis Technology, Inc.
v.
GE Osmonics, Inc.[1]

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Cancellation No. 92024275
regarding
Registration No. 1,807,321

_____

Donald B. Finkelstein, Esq. for Osmosis Technology, Inc..

Steve Lucke and Paul J. Robbennolt of Dorsey & Whitney for GE Osmonics, Inc.

_____

Before Cissel, Hairston and Walters, Administrative Trademark Judges.

Opinion by Walters, Administrative Trademark Judge:

Osmosis Technology, Inc. (petitioner) filed a petition to cancel the registration of GE Osmonics, Inc. (respondent) for the mark OSMONICS for "fluid separation systems for

[1] Though the petition was filed against Osmonics, Inc., the records of the USPTO show that Osmonics, Inc. became Oasis Acquisition, Inc. through a merger, and subsequently changed its name to GE Osmonics, Inc. Thus we have changed the heading in this case to reflect the current respondent of record.

water purification, pollution control and fluid,"[2] in International Class 11.

As grounds for cancellation, petitioner asserted, in its amended petition, that respondent's mark, when applied to respondent's goods, so resembles petitioner's previously used mark OSMOTIK for "reverse osmosis solvent separation or ultrafiltration units used[,] for example[,] in separating water from a salt solution"[3] as to be likely to cause confusion under Section 2(d) of the Trademark Act.

Additionally, petitioner asserted that respondent committed fraud in obtaining its registration because the person who executed the application, Mr. Spatz, "willfully and fraudulently" falsely represented that "to the best of his knowledge and belief no other person, firm, corporation, or association has the right to use the above-identified mark in commerce, either in the identical form or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive …";

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[2] Registration No. 1,807,321 registered on November 30, 1993, to Osmonics, Inc., and USPTO records show it is now owned by GE Osmonics, Inc. [Section 8 declarations accepted; renewal application filed; renewal pending.]

[3] Petitioner asserted that its Registration No. 864,726 on the Supplemental Register for the mark OSMOTIK for the recited goods expired and petitioner filed a new application to register the mark, which was refused. Petitioner has not alleged a valid registration and, thus, we decide petitioner's Section 2(d) claim based on petitioner's allegation of a common law mark in use since February 10, 1967.

notwithstanding the fact that registrant "has been aware of the trademark OSMOTIK and has been fully aware that said mark precludes registration of respondent's mark OSMONICS." (Amended Petition, para. 6.)

Respondent, in its answer, either claimed it had insufficient knowledge to admit or deny or denied the salient allegations of both claims and asserted as affirmative defenses laches, acquiescence, estoppel and unclean hands, that petitioner does not have priority of use, and abandonment.

Procedural Matters

We begin by addressing several questions regarding the nature of the issues and record in this case.

First, petitioner asserts that respondent had an affirmative duty following discovery to amend its answer to the amended petition to cancel wherein respondent claimed insufficient knowledge to admit or deny petitioner's claim of likelihood of confusion; that this statement constitutes an absolute denial; and that, therefore, respondent must be found to have admitted that confusion is likely. Petitioner has provided absolutely no legal basis for concluding that respondent has admitted that a likelihood of confusion exists and the Board declines to draw such a conclusion from petitioner's assertions.

Second, petitioner objects to the admission of selected portions of the discovery deposition of Michael Van de Kerckhove, submitted by respondent. Petitioner contends that it stipulated to the admission of this deposition, but petitioner believed that the entire deposition, not merely portions thereof, would be submitted, and that petitioner objects thereto. Petitioner asks, further, that, if the selected portions of Mr. Van de Kerckhove's deposition are considered, petitioner objects to Mr. Van de Kerckhove's statements at p. 60, ln. 9 through p. 61, ln. 17, as violating the parol evidence rule because the witness "is attempting to contradict the terms of a written document which he signed by oral testimony that he did not know what he signed." (Brief, p. 8.) Respondent, in its brief, argues that parts of this discovery deposition are admissible under Trademark Rule 2.120(j)(3)(i) and that petitioner could have submitted additional portions thereof, but chose not to.

We overrule petitioner's objection and find that the portions of the discovery deposition of Mr. Van de Kerckhove are properly of record under the above-cited Trademark Rule. Moreover, we overrule petitioner's objection to the specific statements noted above. Rather that attempting to contradict the written document and state that he did not know what he signed, Mr. Van de Kerckhove merely states

that, at the time of the deposition in 1996, he cannot say "from knowledge" that the statement in the 1986 assignment document regarding use of the mark "is correct."

Third, petitioner objects to our consideration of the copies of respondent's Registration Nos. 1,732,692 and 1,721,002 because they are not certified documents and therefore do not establish the status or ownership of the registrations. Trademark Rule 2.122(d)(2) permits any party to make a registration it owns of record "by appropriate identification and introduction during the taking of testimony or by filing a notice of reliance, which shall be accompanied by a copy (original or photocopy) of the registration prepared and issued by the [USPTO] showing both the current status of and current title to the registration." The documents to which petitioner objects are not status and title copies required by Trademark Rule 2.122(d), 37 C.F.R. 2.122(d). Thus, these documents are insufficient to establish respondent's ownership, or the status, of the registrations. However, we have considered respondent's testimony and determined that ownership and status of the claimed registrations have been established.

Finally, petitioner stated in its brief (p. 8): "Petitioner made various objections during the taking of the depositions submitted by Registrant. Petitioner repeats and re-alleges each of the objections so made." An objection to

testimony or exhibits introduced during testimony must be seasonably made during trial and maintained in the party's brief on the case. *Volkswagenwerk Aktiengesellschaft v. Clement Wheel Co.*, 204 USPQ 76, 83 (TTAB 1979) (objections made during depositions considered dropped because not argued in briefs). *See also, Trademark Trial and Appeal Board Manual Of Procedure (TBMP)*, 2nd ed., 2003, Section 707.03 and cases cited therein. Petitioner's short statement in its brief neither identifies the objections with specificity nor argues the validity thereof. We do not consider petitioner's blanket statement to be sufficient to maintain the objections. Therefore, any objections not otherwise individually addressed by the Board herein that were made by petitioner during registrant's depositions of its witnesses are considered to have been waived.

Finally, petitioner objects to specified testimonial exhibits consisting of respondent's alleged annual reports, on the ground that neither Mr. Spatz nor Mr. Paulson are qualified to establish a proper foundation for these reports, and that the reports constitute hearsay. We disagree and find that both Mr. Spatz, respondent's chairman and CEO, and Mr. Paulson, respondent's director of corporate technical services, adequately testified to their personal knowledge of these regularly-kept business records. Thus, we have considered these exhibits. However, the contents of

the reports are hearsay as to the truth of the facts contained therein, and so have not been considered for that purpose. To the extent that the reports evidence use of the mark on items ancillary to the claimed products, i.e., the annual reports, as well as on products pictured therein, they have been considered.

The Record

The record consists of the pleadings; the file of the involved registration; the several depositions, all with accompanying exhibits, of Donald D. Spatz, respondent's founder, chairman and CEO, David J. Paulson, respondent's director corporate technical services, and Mike O. Joulakian, petitioner's president; the depositions, all with accompanying exhibits, of David Furukawa, Randolph Truby, Anthony G. Lickus, Robert W. Thompson and David Frederick Needham, all of whom who held positions with one or more alleged predecessor companies of petitioner; portions of the discovery deposition, with accompanying exhibits, of Michael Van de Kerckhove, senior counsel and officer of an alleged predecessor company of petitioner; and by notices of reliance containing, *inter alia*, excerpts from the USPTO Assignment records, a copy of a 1977 letter to the USPTO Commissioner, and, submitted by petitioner, respondent's

responses to petitioner's first request for admissions.[4] Both parties filed briefs on the case, but a hearing was not requested.

Factual Findings

The record establishes the following facts in this case.

The general field involved in this case is fluid separation using cross-flow membrane technology. This includes, in order of particle size filtered from smallest to largest, reverse osmosis, nanofiltration, ultrafiltration and microfiltration. The products identified by the parties' respective marks pertain to reverse osmosis and both parties' witnesses describe the processes of reverse osmosis and ultrafiltration and its various applications.

Mr. Paulson explained the technology of reverse osmosis as follows:

> Natural osmosis occurs from an imbalance in energy of fluids on opposite sides of a semipermeable membrane. The energy is higher in the more pure water, and nature tends to move the water from the more pure state trying to dilute the water in the less pure state until they reach the same energy level.
>
> …
>
> Reverse osmosis is to take the process of osmosis and reverse it by applying hydraulic pressure to the water that is less pure, the side, the fluid that has … less energy and more solids in it. Force that water against the surface of the membrane, of a semipermeable membrane. Such a

[4] The various discovery depositions (of Spatz, Paulson, Joulakian and Van der Kerckhove) were entered into the record by the adverse party to that deposition either as an exhibit to testimony or by notice of reliance.

> membrane has to have very small pores, as they're called, and allow only water to go through or very little of the contaminated material. So you're reversing the natural osmosis procedure. … The aim is to allow pure water to go through [the pores] while retaining and not allowing the transfer of other solutes and suspended material to go through.
>
> …
>
> Reverse osmosis allows the purification of water by excluding dissolved material, solutes, including down to the ionic range, which is a very small solute. Salt ions don't pass though [reverse osmosis] membranes well.

[David J. Paulson deposition, November 3, 2001, pgs. 17-18, 22, "Paulson Dep."]

Mr. Paulson stated that fluid separation product applications are divided into three broad categories: waste treatment, process separation and water purification. In its 1988 annual report, respondent identified sixteen distinct markets for fluid separation products across all three applications, e.g., the pulp and paper market, the beverage manufacturing market, the dairy processing market, the medical market and the potable water market. These markets include commercial and industrial categories and, more recently, the residential market. [Paulsen Dep., November 3, 2001, and Exhibit 23, p. 7, Respondent's 1988 Annual Report.]

The process of reverse osmosis was developed during the 1960s. Early reverse osmosis encompassed technologies including tubular membrane modules and spiral wound membrane modules. Spiral wound technology was and is most efficient

for dealing with relatively clean feed sources, such as desalting brackish water or seawater or purifying home drinking water. On the other hand, tubular technology functions to filter high levels of suspended solids and requires very little pretreatment for its feed source. It is applicable to, for example, removal of enzymes from syrupy, thick mixtures such as waste water. (See Furukawa Dep., pps. 91-95.)

In determining facts about petitioner, its predecessors and the ownership and use of the mark OSMOTIK, we rely principally on the notice of reliance documents and the depositions, with exhibits, of Mssrs. Joulakian, Lickus, Truby, Furukawa, Thompson, Needham and Van de Kerckhove.

Petitioner is a company that was formed by Mike Joulakian in February 1984 under the name Osmotech International, Inc. Subsequent to a letter dated August 24, 1984 from respondent in this case, petitioner changed its name to Osmosis Technology, Inc. ("OTI"). Petitioner "manufactures water purification, water treatment component products, namely reverse osmosis membranes and housings to contain those membranes … called pressure vessels in the industry." [Joulakian Dep., July 13, 2001, p. 18.] Mr. Joulakian stated that petitioner began with a "home business in [1984] when we opened our doors and within years we moved to the next larger product and so on and so forth … but over

the years we have grown and we are in the commercial membrane business today." [*Id.*, p. 81-82.] Mr. Joulakian indicated that petitioner has been involved in reverse osmosis commercial applications for approximately ten years.

On February 19, 1986, petitioner entered into an agreement with UOP, Inc., which was originally Universal Oil Products Company ("UOP"), wherein the mark OSMOTIK, the goodwill associated therewith and the trademark registration therefore, were assigned from UOP to petitioner OTI. Within a few months petitioner began using the OSMOTIK mark on labels affixed to its products and has used the mark on its products continuously to the time of trial.[5]

We turn now to the history of the ownership, use and registration of the OSMOTIK mark from its first adoption up to the time it was assigned to petitioner. In the late 1960s Glenn Havens, doing business as Havens Industries, developed a tubular reverse osmosis product, obtained several patents, and began manufacturing and selling tubular reverse osmosis products. Mr. Havens used the mark OSMOTIK in connection therewith. Mr. Havens formed a corporation and, in a written document dated January 14, 1969, Mr. Havens assigned the mark OSMOTIK along with the business to

[5] Respondent contends that petitioner has not established its continuous use of the OSMOTIK mark. While the evidence in this regard is limited and vague, we find it sufficient to establish respondent's use of OSMOTIK as a trademark on its products from at least late 1986 to the time of trial.

Havens International. On February 11, 1969, Havens International obtained a Federal trademark registration for the mark OSMOTIK (Registration No. 864,726, now expired) for "reverse osmosis solvent separation or ultrafiltration units used, for example, in separating water from a salt solution."

Merck & Co., Inc. acquired, first, Calgon Corporation and, next, Havens International, combining them under Calgon Corporation. The written assignment of the mark OSMOTIK, and the goodwill and registration therefore, from Havens International to Calgon Corporation is dated November 13, 1970.

In a written assignment dated March 11, 1973, Calgon Corporation assigned, *inter alia*, the mark OSMOTIK, and the goodwill and registration therefore, to UOP. The UOP tubular reverse osmosis module manufacturing operation was named the Fluid Sciences Division of UOP.

Approximately one to two years later, UOP acquired the ROGA Division of General Atomics. The ROGA Division manufactured spiral wound reverse osmosis products under the marks ROGA and TFC. In the mid-1970s, ROGA and Fluid Sciences were merged and became the Fluid Systems Division of UOP ("Fluid Systems"). Fluid Systems continued to manufacture reverse osmosis products under two lines. Spiral wound reverse osmosis products were sold under the

marks ROGA and TFC, and tubular reverse osmosis products were sold under the OSMOTIK mark.

Anthony Lickus began working for UOP in 1958 and was vice president and general manager of UOP's Fluid Systems Division from January 1981 to September 1983. He stated unequivocally that when he joined Fluid Systems in January 1981, Fluid Systems was not selling tubular reverse osmosis products, had no means for manufacturing same, and was not using the mark OSMOTIK on any products. He stated that Fluid Systems five-year business plan for 1981-1985 had no provision for the manufacture of tubular reverse osmosis products [Ex. 2 to Lickus Dep.][6]; and that it had become an obsolete product line, noting that spiral wound technology had superceded tubular technology because it was more efficient and cost effective. He stated that OSMOTIK was not used on other products manufactured by Fluid Systems; and that Fluid Systems was the only division within UOP that was involved with water treatment products and applications, ultrafiltration or reverse osmosis.

David Needham joined Fluid Systems on June 1, 1983 as marketing director and, in September 1983, he succeeded Mr. Lickus as general manager of Fluid Systems and remained in that position until September 1986. During his first three

[6] This business plan superceded the prior business plan, dated 1980-1984 [Ex. 4 to Lickus Dep], which included the statement on p. 19 that "Tubular Product Line to be discontinued after 1980."

months at Fluid Systems, Mr. Needham participated in a major review of Fluid System's current business and future plans. After this review, Fluid Systems decided to focus on membrane and spiral wound membrane production. Mr. Needham was aware that Fluid Systems had manufactured tubular reverse osmosis products in the past, but stated that Fluid Systems had no capacity to manufacture tubular reverse osmosis products, and did not manufacture, sell or advertise any tubular products or other OSMOTIK products during his tenure.

Randolph Truby worked for General Atomic from 1969-1971 and from 1971-1973. Mr. Truby joined Fluid Systems in 1983 and, except for approximately two years from 1993 to 1995, continued to work for Fluid Systems until recently. He stated that during his tenure, beginning in 1983, Fluid Systems did not maintain any inventory for the OSMOTIK line. He noted, however, that there was a storage area with pieces and parts of many products, including some from the old OSMOTIK line.[7]

At the time of trial, Robert Thompson was a senior project engineer for respondent. However, he worked for ROGA from 1975 to December 1976. He was hired by Fluid Systems in August 1978 as a quality assurance technician and

[7] While the record is vague on this point, it appears that individuals at Fluid Systems would respond to phone calls seeking repairs for previously-sold OSMOTIK tubular products, using parts that they could find in storage.

later moved into research and development, where he remained until May 1993. Mr. Thompson stated that during his tenure at Fluid Systems in the 1970s, Fluid Systems was located in an old World War II hangar in San Diego. He described the physical plant, stating that the machinery for manufacturing tubular products was different from the machinery for manufacturing spiral wound products and the two sets of machinery were located in different rooms. The stock room contained parts for both tubular and spiral wound products. Mr. Thompson stated that Fluid Systems moved to a new facility in 1981; that prior to the move, Fluid Systems stopped manufacturing tubular products and the machinery therefor was taken from the facility, noting that the room where tubular products were manufactured was empty for a time and then filled with new machinery for manufacturing spiral wound products; and that no tubular products were ever manufactured at the new facility, nor was inventory for such products maintained, although a few parts of old tubular equipment may have remained.

The equipment for manufacturing the OSMOTIK line of tubular products was leased by Fluid Systems to a corporation in Israel under a written agreement dated October 27, 1980 [Exhibit 5 to Lickus Dep.]. The lease was for a term of three years and provided for a royalty to be paid to Fluid Systems "for each linear foot of Reverse

Osmosis tube or equivalent product produced by the Equipment…."[8] No royalty payments were received by Fluid Systems during Mr. Lickus' tenure as general manager from January 1981 to September 1983, or during Mr. Needham's tenure as general manager, which began in September 1983. In December 1984, the lease agreement was terminated and the equipment was sold by Fluid Systems to the Israeli corporation for $25,000 [Ex. 12 to Needham Dep.].

Mr. Needham testified that he first became aware of the OSMOTIK mark when he was contacted by UOP Inc.'s trademark counsel, John Lanahan in a letter dated October 2, 1984, indicating that UOP Inc. had received an offer to purchase the OSMOTIK registration for $500 - $1000 [Ex. 9 to Needham Dep.]. Mr. Needham stated that he contacted all of his managers and concluded that Fluid Systems was not using the mark and had no interest in it. He instructed Mr. Lanahan to make a counteroffer of $5000 and, as indicated in a letter of March 11, 1986, from Mr. Lanahan to Mr. Needham, the assignment of the mark OSMOTIK and U.S. registration was concluded [Ex. 19 to Needham Dep.].

Michael Van der Kerckhove stated that he was Secretary of UOP, Inc. between 1985 to 1988 and that he signed the document, dated February 19, 1986, assigning the trademark and registration for OSMOTIK to OTI, petitioner herein. The

[8] The lease contained no reference to the OSMOTIK trademark.

assignment document includes, *inter alia*, the following statements [Ex. 6A to Joulakian Dep., November 6, 1996]:

> WHEREAS UOP, Inc. … "hereinafter assignor" through its predecessor has adopted, used and [is] using a mark which is registered in the United States Patent and Trademark Office, Registration No. 864,726 dated February 11, 1969; and
>
> WHEREAS, Osmosis Technology, Inc., … "hereinafter assignee" is desirous of acquiring said mark and the registration thereof;
>
> NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, said assignor does hereby assign unto the said assignee all right, title and interest in and to the said mark, together with the good will of the business symbolized by the mark, and the above identified registration thereof.

Mr. Joulakian testified that he did not receive any patents, inventory, equipment or other materials with the assignment. He stated that his attorney received from UOP Inc. a packet containing, *inter alia*, OSMOTIK labels, but he never saw what was in the packet other than the labels. Mr. Joulakian stated that petitioner did use some of the OSMOTIK labels received from UOP Inc. with the assignment, but not until some time after the assignment. Having taken title to the registration in February 1986, petitioner allowed the registration to lapse when it came due for renewal in 1989 and did not record its assignment with the USPTO until 1996, ten years after the assignment.

In determining facts about respondent and its use of its mark OSMONICS, we rely principally on the notice of

reliance documents and the various depositions, with exhibits, of Mr. Spatz and Mr. Paulson.

Respondent's business is, and has always been, in the general field of fluid separation using cross-flow membrane technology. Respondent manufactures, markets and applies membranes in each of the categories for waste treatment, process separation and water purification. Respondent was founded in August 1969 with the goal of applying reverse osmosis technology, invented in 1959 at UCLA, to the marketplace. Respondent sold its first reverse osmosis systems in 1970 under the trademark OSMONICS.

Reverse osmosis is respondent's core technology, and its concentration is on spiral membrane technology. Respondent's first applications were medical, e.g., producing purified water for artificial kidneys. Respondent added ultrafiltration products in the early 1970s, nanofiltration products in the late 1970's to early 1980s, and microfiltration products in the early 1980s.

Starting in mid to late 1970, respondent used, and has continued to use, the trademark OSMONICS to identify its whole reverse osmosis system and its larger machines, as well as its fluid filtration and purification systems. The OSMONICS mark has been used on various units and components, which are also sold separately from systems, from

approximately 1970 to the present. The mark is affixed to equipment with decals or labels.

Respondent initially promoted its products with press releases, which resulted in articles in several trade magazines, and product brochures. Its advertising expenditures expanded from 1% of sales, mostly magazine exposure and brochures, to approximately 3-4% of sales in the 1980s. Respondent's sales totaled approximately $300,000 in 1970; sales grew to $36 million by 1989; and sales were $200 million in 2000.

Respondent used manufacturer's representatives to market its products until approximately 1986/1987, when it had developed its own in-house distributor organization. Respondent sells its components and systems to systems manufacturers, original equipment manufacturers, and commercial and industrial end-users.

Analysis

1. Fraud.

Petitioner contends that respondent "had full knowledge of the prior use of OSMOTIK by Glenn Havens since [respondent's] first application to register OSMONICS was refused registration because of the existence of the mark OSMOTIK in [R]egistration [No.] 864,726" (Brief, p. 19); that Glenn Havens' company is petitioner's predecessor in interest to its OSMOTIK mark; that the parties herein have

attended at least some of the same trade shows; and that respondent was aware of petitioner and its use of the OSMOTIK mark. Petitioner concludes that, therefore, Mr. Spatz willfully and knowingly committed fraud by signing the declaration in respondent's application, *i.e.*, by attesting that "to the best of his knowledge and belief he did not know of any other person, firm, corporation or association which had the right to use the mark in commerce either in the identical form or in such near resemblance thereto as to be likely, when used on the goods of the other person, to cause confusion, mistake or to deceive."

Respondent contends that no fraud was involved in the procurement of its registration because respondent did not apply to register its mark until the OSMOTIK registration had lapsed; that respondent was "unaware of any use of the OSMOTIK mark by Havens or any other company after the mid- to late 1970s" (Brief, p. 40); that petitioner "did not record its alleged ownership by assignment of the OSMOTIK registration until 1996, after this cancellation matter had been commenced and seven years after such registration had been allowed to expire" (*id.*); and that respondent "did not learn of [petitioner's] alleged priority until this matter was filed." (*Id.*)

In order to prevail on a claim of fraud for misstatements in an application, a plaintiff must plead and

prove that the applicant knowingly made "false, material representations of fact in connection with [its] application." *Torres v. Cantine Torresella S.r.L.*, 808 F. 2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). To constitute fraud on the U.S. Patent and Trademark Office, a statement must be (1) false, (2) made knowingly, and (3) a material representation. The charge of fraud upon the Office must be established by clear and convincing evidence. *See, Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ 955 (TTAB 1986).

Professor McCarthy has stated the following (*McCarthy on Trademarks and Unfair Competition*, 4th ed., 2003, §31.76, citations omitted):

> It should be noted that in the application "oath" declarant states that to the best of his or her "knowledge and belief" no other firm "has the right to use" the mark or a confusingly similar mark "in commerce." The oath is phrased in terms of a subjective belief, such that it is difficult, if not impossible, to prove objective falsity and fraud so long as the affiant or declarant has an honestly held, good faith belief. The application oath is essentially an averment of the affiant or declarant's belief that no other firm has the legal right to use the mark or a confusingly similar mark in interstate or foreign commerce. There is nothing in the oath or the statute which requires applicant to disclose anyone who in fact may be using the mark, but does not, in the applicant's belief, possess the legal right to use. The oath is not a guarantee that no other firm has a legal right to use the mark. Simply because after litigation, another may succeed in proving in the PTO or in court that it does have a legal right to use, does not mean that the signer of the oath committed fraud and was a liar. The signer of an application oath should not be put in

> the position of a fortune teller as to what the courts will hold in future as to the trademark rights of others.

The Board has found that there is no fraud in signing the application oath if an applicant knew of third-party uses, but reasonably believed that its rights were superior to those third-party uses. *See, Space Base, Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990); and *Heaton Enterprises of Nevada, Inc. v. Lang*, 7 USPQ2d 1842 (TTAB 1988).

The record clearly establishes that while respondent knew of the OSMOTIK registration, it also knew the registration had lapsed, believed that the registrant was no longer using the mark, and that respondent either did not know of petitioner's use of the mark prior to the commencement of this proceeding or did not believe that petitioner had "superior rights." Therefore, petitioner has not established fraud in the execution by Mr. Spatz of the application oath. Petitioner's claim of fraud is denied.

2. Likelihood of Confusion.

To establish its case under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), petitioner must establish both its priority and that a likelihood of confusion exists between the parties' marks as used in connection with their respective goods. We begin by considering the question of priority, which petitioner must prove because its pleaded mark is not the subject of a registration.

In this regard, petitioner contends that in 1984 it became aware of Supplemental Register Registration No. 864,726 that issued on February 11, 1969, for the mark OSMOTIK, owned in 1984 by UOP, Inc.; that the mark, its attendant good will, and the registration were assigned to petitioner in February 1986; and that on February 19, 1986, petitioner began use of the OSMOTIK mark and has used the mark continuously to the time of trial. Petitioner also contends that the record establishes the continuous use of the OSMOTIK mark from its registration date by petitioner's predecessors up to December 1984, and that petitioner's predecessor had no intention to abandon the mark.

Respondent devoted its brief primarily to its contention that petitioner does not have priority of use. Respondent contends that it has established its continuous use of its registered mark in connection with the identified goods since 1969. Respondent contends that, on the other hand, petitioner has not established its use of the OSMOTIK mark subsequent to petitioner's purchase of the OSMOTIK registration from its alleged predecessor (UOP Inc.) in 1986; that petitioner cannot claim UOP Inc.'s use of the OSMOTIK mark because such use was on entirely different products and because in 1980, prior to the assignment to petitioner, UOP Inc. had abandoned its use of the mark; that the assignment to petitioner is invalid because, in view of

UOP Inc.'s abandonment, UOP Inc. had no rights to assign; that, additionally, the assignment is invalid because it was a transfer in gross of the mark and registration without the attendant good will; and that petitioner has not established that its OSMOTIK mark acquired distinctiveness prior to respondent's first use in 1969.

On the facts established by this record, we conclude that petitioner has not proved its priority of use. Respondent has clearly established its use of the mark OSMONICS in connection with the goods identified in its registration, "fluid separation systems for water purification, pollution control and fluid," since at least 1969.

The first use that petitioner can rely on is 1986. Regarding petitioner's claim through its predecessors in interest, Mr. Havens originally adopted and used the mark OSMOTIK in connection with tubular reverse osmosis products by at least 1969. The testimony and evidence establish a continuous chain of title and use of the mark in connection with such products until approximately 1980, when UOP, Inc. was the owner of the mark, which was used through its Fluid Systems Division. However, the testimony and evidence also establish that after 1980 UOP, Inc. through its Fluid Systems Division, stopped using the mark OSMOTIK on tubular reverse osmosis products or any other products, divested

itself of all equipment in connection therewith, and clearly demonstrated its intent not to resume use of the OSMOTIK mark. The 1986 assignment of the mark to petitioner and the statements contained in the assignment document are insufficient to contradict the voluminous evidence showing UOP Inc.'s nonuse of the mark since after 1980 and the lack of an intent to resume use thereof.

We conclude, therefore, that the mark OSMOTIK was abandoned by UOP Inc. and that the assignment was void both because it was an assignment of an abandoned mark in which UOP Inc., the assignor, no longer had rights, and further, because it was an assignment of rights in gross, unaccompanied by any goodwill. The fact that petitioner began using the mark in 1986 fails to confer priority upon it.[9]

In view of petitioner's failure to establish priority, it is unnecessary to consider whether a likelihood of confusion exists. Petitioner's claim under Section 2(d) of the Trademark Act is denied.

Decision: The petition to cancel is denied on both grounds.

[9] It is unnecessary to determine whether, or to what extent, the goods of petitioner may differ from those identified by the OSMOTIK mark prior to 1980. Additionally, it is unnecessary to determine whether OSMOTIK is merely descriptive in connection with the goods upon which it has been used and, if it is, whether and when it acquired distinctiveness.